

1 CALIFORNIA HIGH-SPEED RAIL AUTHORITY

2 MONTHLY MEETING

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5

6 TRANSCRIPT OF PROCEEDINGS

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10 Sacramento City Hall

11 915 I Street, City Council Chambers

12 Sacramento, California 95814

13

14 Wednesday, January 23, 2013

15 10:15 a.m.

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1 A P P E A R A N C E S
23 BOARD MEMBERS
45 Mr. Dan Richard, Chairman
67 Mr. Tom Richards, Vice-Chair
89 Ms. Lynn Schenk, Vice-Chair
1011 Mr. Jim Hartnett
1213 Mr. Michael Rossi
1415 Mr. Thomas Umberg
1617 STAFF
1819 Ms. Angela Reed, Interim Board Secretary
2021 ALSO PRESENT
2223 Mr. Jeff Morales, CEO
2425 Mr. Thomas Fellenz, Esq., Legal Counsel
2627 --o0o--
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3233
3435
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1 SACRAMENTO, CALIFORNIA, January 23, 2013

2 10:15 a.m.

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5 CHAIRMAN RICHARD: Okay. Good morning.

6 Sorry we're a few minutes late. Everybody is getting
7 themselves collected in the new year.

8 Good morning. The meeting of the California
9 High-Speed Rail Authority will now come to order.

10 Could you please call the roll.

11 MS. REED: Vice-Chair Schenk.

12 MS. SCHENK: Here.

13 MS. REED: Vice-Chair Richards.

14 MR. RICHARDS: Here.

15 MS. REED: Mr. Umberg.

16 MR. UMBERG: Here.

17 MS. REED: Mr. Hartnett.

18 MR. HARTNETT: Here.

19 MS. REED: Mr. Rossi.

20 MR. ROSSI: Here.

21 MS. REED: Chairman Richard.

22 CHAIRMAN RICHARD: Here.

23 And I will ask Mr. Hartnett, the proud father of
24 the newest attendee to the United States Naval Academy,
25 his daughter, to please lead us in the Pledge of

1 Allegiance.

2

3 (Pledge of Allegiance recited.)

4

5 CHAIRMAN RICHARD: Thank you.

6 Welcome back, Mr. Hartnett, we're very, very
7 pleased that the president of the Senate and Rules
8 Committee reappointed Mr. Hartnett to the High-Speed
9 Rail Authority to be graced by his presence and hard
10 work. Congratulations on your daughter. That's a
11 phenomenal achievement.

12 MR. HARTNETT: Thank you very much.

13 CHAIRMAN RICHARD: All right. We will begin
14 with public comment, and as is our custom, we will start
15 with -- let me just go through to make sure that our
16 public officials speak first, and then after that, all
17 of the comments will be taken in order.

18 Okay. Okay. First off, Fresno County Board of
19 Supervisors, Supervisor Henry Perea.

20 MR. PEREA: Mr. Chairman and members of the
21 board, thank you for allowing me to speak today.
22 Congratulations on your families. I just wanted to
23 share with you -- and I don't have a tie. No
24 disrespect. I forgot it. I was at the hospital. My
25 youngest son's girlfriend had a baby, and little Sophia

1 was born at 4:30. So before I left Fresno this morning,
2 I went to visit her. So it's a great day for family,
3 and as you know, it's why we come here all the time to
4 support you for the great things that you're doing, you
5 know, and I held her this morning before I left, and I
6 thought about what our parents and what our grandparents
7 have done for us to build this type of infrastructure
8 and the world that we have that makes this the
9 world-class country that we are, and we're doing the
10 same things for our kids and grand kids.

11 So just wanted to share that with you and thank
12 you for the heavy lifting that you're doing and the hard
13 work every day and just know that Fresno -- it's nice to
14 shift from the phase in high-speed rail to the
15 execution, and I can tell you, we on the ground, are
16 working with folks to make sure now that we're making
17 your vision come true, and it's part of everyone in
18 Fresno County. We're going to make it happen. So thank
19 you very much.

20 CHAIRMAN RICHARD: Congratulations, and
21 thank you, and once again, the record will note that I
22 think the person who has a near perfect attendance
23 record -- perfect when you count the excused absences --
24 is Supervisor Perea.

25 Next, the supervisor, Richard Valle, from Kings

1 County.

2 Welcome.

3 MR. VALLE: Good morning, Mr. Chairman,
4 members of the board, happy New Year.

5 Mr. Chair, I would just -- very simply, here
6 before you today to represent the county, one as on the
7 record of being in attendance here today, and as you
8 move forward this year, we do know you have a lot of
9 tough decisions to make, decisions that affect the
10 overall being of Kings County. And so as you make those
11 decisions, please continue to keep in mind remarks that
12 you have heard and as you have been there, and again,
13 just want to wish your board well and thank you for your
14 service. And we do look forward to seeing you back in
15 Kings County, hopefully, prior to these tough decisions
16 that have to be made. Thank you, sir

17 CHAIRMAN RICHARD: Thank you, Supervisor,
18 and let me assure you, we definitely -- we know that
19 they are significant impacts that need to be addressed
20 in Kings County. We appreciated the opportunity to work
21 with you and your colleagues on the board of
22 supervisors, and we hope to work through those issues in
23 a positive way this year

24 Next, from Madera County Matt Treber. I hope I
25 pronounced your name correctly, sir

1 MR. TREBER: Thank you, Mr. Chairman,
2 members of the board. I was here to speak on Item 2. I
3 can speak under public comment if you --

4 CHAIRMAN RICHARD: Actually, sir, what we
5 tend to do is we have all comments for all the items at
6 the outset.

7 MR. TREBER: Certainly, not a problem. My
8 name is Matt Treber. I am here at the direction of our
9 Chairman of the Board of Supervisors from Madera. I
10 would like to start off by thanking you and staff. We
11 have been working closely with staff on the east/west
12 alignment alternatives that are going to be discussed
13 under Item Number 2. We like the dialog that's
14 occurring there. We would like to call out, however,
15 our concern over what we have seen to see, a lack of
16 disclosure of the discussions related to the potential
17 alignment alternatives and the impacts those may or may
18 not have on the deciding of the heavy maintenance
19 facility.

20 As you are aware, the county has several sites
21 that have been carried forward, and we just would
22 request that you direct your staff to continue to meet
23 with the county and have a more open dialog of
24 discussion on the deciding of that facility and the
25 impacts that the location of these routes may occur on

1 that site. With that, I'd like to thank you again.

2 CHAIRMAN RICHARD: Okay. Thank you. I will
3 ask Mr. Morales on that presentation, if we are prepared
4 to talk about that, that's fine. If not, then we'll be
5 clear about a time and place when we are. So thank you.

6 Next up, LeeAnn Eager followed by Diana LaCome.

7 MS. EAGER: Good morning, Mr. Chairman,
8 board, Mr. Morales. I'm LeeAnn Eager, president and CEO
9 of the Economic Development Preparation servicing Fresno
10 County and a member of Fresno Works. I'm so glad to see
11 all of you here today, especially Mr. Richard, up and
12 about. Appreciate it.

13 I just wanted to let you know that in Fresno, we
14 are -- excuse me -- continuing our work in working with
15 our businesses to get them certified, making sure that
16 if we want to work on this project that we have enough
17 folks in the Central Valley that can do that. We're
18 also working with our businesses that are along the
19 alignment, keeping them informed with meeting with your
20 staff and those businesses, making sure that they have a
21 place available to go to when it's time for them to
22 move.

23 But I also wanted to make you -- that we have
24 been working really closely with the staff in the
25 Central Valley, and Diana Gomez is a wonderful addition.

1 We have been meeting on a regular basis, making sure
2 that what they're doing and we're doing is in sync. And
3 I know that the last couple of meetings that we have
4 gone to that we -- business owners have been very
5 appreciative of those meetings and the high-speed rail
6 addressing our concerns. So we appreciate that.

7 And also Mike going to his team, when there's an
8 issue that happens, then we need to get the word out,
9 sending that out to him and getting the word out to his
10 team and Mr. Wilcox, that has been essential for us in
11 order to make sure that those in the Central Valley
12 understand what's going on and are able to do the work
13 going forward.

14 I also met with the folks in Kern County a couple
15 of weeks ago. They would like to get a Kern County
16 Works going in order to, you know, get their businesses
17 prepared, making sure that they are prepared for when it
18 goes down that way. So Fresno Works is going to assist
19 them. We're going to be meeting with the folks in
20 Merced also. So the Central Valley, in its entirety,
21 will be ready for this project. Thank you.

22 CHAIRMAN RICHARD: Thank you, Ms. Eager. We
23 appreciate those comments.

24 Good morning, Ms. LaCome followed by Anja
25 Raudabaugh.

1 MS. LACOME: Good morning, Chairman Richard,
2 Mr. Morales, and Authority board members. Today, I'd
3 like to discuss three items with you. The first is
4 conflict of interest policy and implementation, the
5 second is Caltrans Interagency Agreement with the thirty
6 percent goal, and lastly, is the Amtrak to California
7 partners in pursuit of the trains.

8 First of all, the conflict of interest, APAC
9 request that the proposed award not be finalized until
10 there is clarification of this specific conflict of
11 interest in question. Rosenthal Inc was the primary
12 right-of-way consultant for the Authority and has
13 already prepared work on 500 parcels in central
14 California. To our best knowledge, the 500 parcels were
15 solely sourced to Rosenthal Inc. A Request For Proposal
16 was never publicized by the Authority.

17 In 2012, the right-of-way contract was bundled
18 into four contracts. The highest combined numbers
19 scored was Golden State Right-of-Way Team, and as you
20 can see, the notice of proposed award, that I have given
21 you, they are the ones that scored to be the highest. I
22 have also added there for your information, the County
23 of Sacramento and the fictitious name statement for
24 Rosenthal, actually, DBA as a Golden State Right-of-Way
25 Team. So I would like for you to look at the

1 right-of-way. I have given you all the information on
2 that.

3 Approval of the Caltrans Interagency Agreement
4 for the relocation of Highway 99, we have requested
5 several times in front of this board if the thirty
6 percent goal was going to be applied, and we were told,
7 "yes," that it was. However, in going back and looking
8 at the agreement, it does not state it anywhere. So we
9 would like a response from the Authority on that.

10 And then lastly, on the trains, the train sets
11 that you're -- that are being -- were on the press
12 release recently, I think this is a great idea. I would
13 recommend that these trains be actually built in
14 California and primarily, if at all possible, in central
15 California, since it has the highest unemployment rate.
16 Thank you

17 CHAIRMAN RICHARD: Thank you, Ms. LaCome.
18 Ms. Raudabaugh, If I could ask you to just bear with us
19 for a second.

20 All right. Thank you Ms. LaCome. I was just
21 conferring with Mr. Morales, because obviously, any
22 question of conflict of interest is something that we
23 take seriously, and I know that he has been in touch
24 with our general counsel. So we will follow up with him
25 on that.

1 Thank you, Ms. Raudabaugh. I apologize for that,
2 and good morning, and you will be followed by Eric
3 Christen.

4 MS. RAUDABAUGH: Good morning, Mr. Chairman.
5 My name is Anja Raudabaugh. I'm the executive director
6 of the American Farm Bureau. I have come here to
7 address Agenda Item 2, Supplemental Analysis of the
8 Central Valley Wye.

9 I represent approximately 40 percent of the
10 affected stakeholders in the Chowchilla region. None of
11 them have been informed of this new analysis strategy.
12 None of them have received any stakeholder outreach
13 regarding supplemental or subsequent EIR, and we find
14 that really appalling.

15 The staff report for Agenda Item 2 indicates that
16 staff is seeking the board's blessing for a new strategy
17 regarding the wye analysis in efforts to comply with
18 CEQA, either a supplemental or a subsequent EIR. They
19 are two very different things, and I'd like to know
20 which one is it. Staff appears to have lumped them
21 together as one in the same. They are certainly not the
22 same.

23 Additionally, as a new major problem to this plan
24 is that a supplement or a subsequent EIR to what? The
25 Merced to Fresno EIR? This can't possibly be legal.

1 Since there's a pending legal challenge to that EIR,
2 that EIR cannot be deemed adequate, and supplementing
3 the Merced to Fresno EIR also can't possibly be the
4 case, because it implies the CEQA analysis has already
5 occurred on the Chowchilla wye box.

6 This board directed staff in 2011 not to analyze
7 the Chowchilla wye box, remember? And now the staff
8 report is suggesting that you're going to analyze it
9 through the supplemental, that it never was -- there was
10 never an analysis in the fist place. It also can't
11 possibly be legal because CEQA requires that that prior
12 CEQA analysis be performed first and only then can you
13 have a subsequent. If you don't believe me, I know you
14 guys have some very expensive hired guns that you
15 consult with.

16 Another thing that the staff report seeks to
17 do -- I'm sorry. I've traveled a really long way. If
18 you could --

19 CHAIRMAN RICHARD: Go ahead.

20 MS. RAUDABAUGH: Another thing the staff is
21 working to do is expand the Chowchilla wye box into a
22 further, more distant western boundary. This report
23 refers to the area as the Carlucci Road to the west, and
24 I'm operating under the assumption that the board
25 doesn't know where Carlucci Road is. Madera and

1 Mercedians collectively refer to this area as the "red
2 top area," and that area has the highest rate of
3 subsidence in the world, three times that which toppled
4 New Orleans after Katrina. So I have provided the board
5 with the Department of Water Resources map, which shows
6 the average rate of subsidence in that area of 18 inches
7 a year. The Merced Fresno EIR said the subsidence was
8 an insignificant issue. This is a serious issue and one
9 that you should be very concerned about.

10 Finally, I'm asking the board to really take a
11 look at this statute, because it doesn't make sense to
12 us, again, representing many, many stakeholders involved
13 in this process. First, you have been asked -- you've
14 asked staff not to analyze an area that's as large as
15 one of the Hawaiian islands, and now you have promised
16 that that area would get the level of analysis that it
17 desperately needs in a subsequent -- or excuse me -- a
18 brand new EIR, Merced to San Jose. And you're asking us
19 to just brush our concerns aside while you roll it up
20 into a subsequent -- supplemental EIR. This strategy is
21 not acceptable to us.

22 Additionally, these decisions impact a lot of
23 folks in the Central Valley, and we, respectfully, ask
24 that you have many more meetings concerning the initial
25 construction segment, the initial operating segment, and

1 all things related to Construction Package 1 in the
2 Valley. We can't get up here. So we would really
3 appreciate your consideration on that. Thank you.

4 CHAIRMAN RICHARD: Thank you, Ms.
5 Raudabaugh. Let me just say that as I understand it,
6 today's briefing on this will be an informational
7 briefing, so no action will be taken today. We will
8 have closed session, as you can see from the agenda.
9 One of the items is directly pertinent, in terms of
10 litigation, and so we'll have an opportunity to ask our
11 staff to consider and comment on this. So I wanted you
12 to know that your comments are timely and appreciate.

13 MS. RAUDABAUGH: I appreciate that. Your
14 staff, they're very nice people, and you guys know that
15 the Chowchilla region is full of different opinion, and
16 they have a tough job ahead of them, and I was there at
17 the meeting in 2012 when we tried to resolve these
18 issues. They are far from resolved

19 CHAIRMAN RICHARD: I understand that, but
20 we're going to keep working toward it. Thank you for
21 your comments.

22 Mr. Christen, good morning. We're sorry you
23 didn't bring your kids.

24 MR. CHRISTEN: They're having a much more
25 fun day. They're able to join their mom, who's an Air

1 Force pilot, out at the field, and they get to spend the
2 day with her for mom at work day -- or kids at work day
3 with mom -- is much more exciting. So I'm sorry.

4 Mr. Chairman, board members, happy New Year.
5 Thank you for giving us an opportunity to speak to you
6 today. Unfortunately, it is about the issue that we
7 have been talking about for sometime, which is the
8 Project Labor Agreement, which has now kind of come out
9 of the box, if you will, and been unveiled, at least in
10 its draft form, as we have feared, and it's the typical
11 appeal we expected. We'll be unveiling this part of the
12 website that we're doing tomorrow to talk about this
13 issue.

14 The Project Labor Agreement, for those in the
15 audience that aren't aware of it, impacts -- we just had
16 the Bureau of Labor Statistics indicate that the union
17 representation for the work force in California fell to
18 the smallest percentage it's ever been -- I'm sorry --
19 in the country that's it's ever been, 13.2 percent,
20 almost a full percentage point drop. That's the market
21 work of people choosing where they want to work. Most
22 people work in a union-free environment. Project Labor
23 Agreement makes it almost impossible for those nonunion
24 workers to work on this project unless they become a
25 member of the union. So we have opposed PLAs and

1 unfortunately, have to oppose the project so long as one
2 is on it, and we'll be, again, unveiling the website
3 tomorrow that deals with that very issue. We will be
4 showing the dissection of the PLA on the website. We
5 will also be showing the head of the Fresno, Madera,
6 Kings County trade unions who's there with myself and
7 others and a group of minority contractors in Fresno a
8 few weeks ago and did a great job and proceeded to swear
9 at me in front of my children and storm out of the room.
10 And it was an ugly scene, but these are the type of
11 people who are negotiating agreements with all of our
12 people to work under. It's unfortunate. But I did want
13 to say that yet -- the fact that we're going to be
14 supporting the litigation against this right now because
15 of this Project Labor Agreement. This is the result of
16 the PLA being a part of this process. It's unfortunate
17 and it's unneeded, and it's now brought us into this
18 fight.

19 So I wanted to make you aware of that. Thank you
20 for your time. I know you have a lot of tough issues
21 that you're dealing with, people that are happy with it,
22 unhappy, a lot of money at stake, but I do want to
23 continue to give you our respect as well. Thank you.

24 CHAIRMAN RICHARD: Thank you, Mr. Christen.
25 We appreciate it. I don't know if this is one that we

1 can bridge, but, you know, we try to listen to all of
2 these things carefully.

3 I apologize. I'm having -- so Nicole -- is it
4 Geokine? If I mispronounced your name, I apologize.
5 You appeared before us once before, and I think I
6 apologized for mispronouncing your name at that time if
7 I recall.

8 MS. GOEKINE: Chairman Richard, I apologize
9 for my horrible handwriting.

10 CHAIRMAN RICHARD: I just went to my eye
11 doctor yesterday, so I think I am good.

12 MS. GOEKINE: Good morning, Chairman Richard
13 and members of the High-Speed Rail Board, Mr. Morales.
14 Again, Nicole Goekine, with Associated Builders and
15 Contractors of California. We are -- our members are
16 general contractors, subcontractor members who perform
17 commercial industrial public works construction. We
18 also operate State-approved apprenticeship programs in
19 several trades, electrical, plumbing, sheet metal, HVAC,
20 painters, laborers, carpenters, heavy equipment
21 operators, et cetera, et cetera.

22 We are here today to express our concern about
23 Project Labor Agreement. There's language in the
24 current draft that states that theses apprentices that
25 we have trained will not be able to be used, and they

1 won't be able to receive any of their own on-the-job
2 hours because of the PLA.

3 Just real quick, I was invited to speak on a PLA
4 panel that Mr. Christen also mentioned a few weeks back
5 in Fresno, and I was thinking that I was going to see a
6 lot of you there at the meeting, and excuse me if I
7 didn't see you there, but I don't believe I did. So I'm
8 wondering what staff did attend that session that I
9 believe discussed important elements of language that
10 were of concern in that PLA. But the day before, I was
11 at the Small Business Advisory Council meeting, and I
12 was surprised to learn that the PLA or the policy had
13 finally morphed into a Project Labor Agreement that was
14 at the high-speed rail waiting for approval, and so I
15 was surprised to see that was the plot that was all
16 along to do this behind the scenes to benefit special
17 interest. I thought this project was to benefit all of
18 California.

19 The second thing I learned, there, is that the
20 contract will be awarded to only those primes who
21 demonstrate that they will sign on to this letter of
22 consent, Project Labor Agreement, otherwise. They won't
23 be considered, not based on their merit or if they can
24 qualify other than they need to sign this letter of
25 consent.

1 And finally, the third thing is all of the
2 primes -- I also learned all of the primes who have
3 submitted bids, those who are not chosen are going to be
4 reimbursed for their work. So this is the first time I
5 have seen a situation like this where people submitting
6 bids are going to get reimbursed for their time and
7 consideration.

8 ABC California remains opposed to this policy and
9 PLA policy in its current format, and we look forward to
10 our meeting with you, Mr. Richard, next week to discuss
11 the change that we are asking for in that document --
12 I'm sorry. The meeting with Mr. Morales not
13 Mr. Richard. So we have emailed our letters to you this
14 morning to all of the board members, and we would
15 respectfully request that you include that letter in
16 your minutes of today's meeting. We have spoken before
17 you several times before, asking for a fair and open
18 competition policy, and each time, it has not been
19 reflected in the minutes, and I would respectfully
20 request that our letter be submitted and included in
21 those minutes. Thank you very much for your time.

22 CHAIRMAN RICHARD: Thank you. Ms. Geokane,
23 let me just say two things quickly, and I'm always
24 reluctant to comment on speakers because I never want to
25 shun anybody's ability to come and speak to us, but you

1 represent a sophisticated organization, so I know you
2 are not going to be dissuaded by that. But just for
3 clarification, one, on the reimbursement of the
4 contractors, I think that's fairly standard policy.
5 It's a way to encourage competition among contractors,
6 because it's a very big and expensive process to put an
7 RFP together. And so it doesn't -- the reimbursement
8 that we offer does not even come close to the cost that
9 these companies incur, and I think this is pretty
10 standard practice throughout the industry with, with
11 very large construction projects like this. So we made
12 the decision that the public would benefit more by
13 having more competitors, because it would drive the cost
14 down if we encouraged competitors to come in by taking
15 some of the sting out. So I want it to be clear because
16 it might seem curious to people at first as to why we're
17 paying losing bidders, but it's very much a mathematical
18 proposition. We think we'll get better bids and lower
19 bids as a result.

20 And the other thing, too, I just wanted to say so
21 that when you do have your meeting with Mr. Morales, you
22 and Mr. Christen can understand that, at least my
23 view -- I have personal views about Project Labor
24 Agreements, because I have worked in situations where
25 they have been used, but there has been no policy from

1 this board, that I'm aware of, that has required people
2 to hire under Project Labor Agreements. The companies
3 that have come in and have chosen to bid have been
4 signatories to these agreements. Now, whether the board
5 would adopt such a policy or not adopt such policy --
6 but I do think right now on the ground what we're
7 dealing with is that these are companies that have a lot
8 of experience in this marketplace and have chosen to do
9 this. So again, I want to distinguish between what the
10 companies choose to do and what the board might adopt as
11 a policy, and I just don't believe that we have adopted
12 a policy on that at this point. I just say to you,
13 because you're going to have continuing interactions
14 with us, and I want to make sure that we can find common
15 ground where we can, and so that's thoughts for you for
16 your upcoming meetings.

17 MS. GEOKINE: Okay. Thank you very much.

18 CHAIRMAN RICHARD: Thank you, Ms. Geokine.

19 Frank Oliveira, and he'll be followed by David
20 Schwegel.

21 Mr. Oliveira, happy New Year.

22 MR. OLIVEIRA: Same to you. I hope your
23 holidays were good

24 CHAIRMAN RICHARD: They were.

25 MR. OLIVEIRA: Part of the topics that I

1 have been listening to today in people coming up and
2 talking to you has been about transparency, due process,
3 doing the right thing, all of those issues.

4 By the way, you don't have a quorum right now.
5 Should I stop?

6 CHAIRMAN RICHARD: We have five.

7 MR. OLIVEIRA: Do you?

8 CHAIRMAN: Two, four, five. Mr. Morales
9 doesn't count for quorum purposes, but he counts for
10 other purposes.

11 MR. OLIVERIA: Mr. Umberg is missing.

12 CHAIRMAN RICHARD: Yeah, but they're five
13 out of nine, so there's a quorum.

14 MR. OLIVIERA: Okay. At any rate, all of
15 this said, there's a preponderance of things that are
16 being -- or a perception that things are being done
17 behind closed doors for reasons less than honest and
18 respectable questions about how things are done in the
19 Chowchilla wye. People are noticing that, apparently,
20 something is happening in the background, and people
21 aren't getting the words and makes people uneasy. This
22 decision about PLAs and nothing officials has been done,
23 but the PLA information that's out there makes people
24 nervous. It makes people feel that things are being
25 done in the background in a shady way.

1 On your agenda, there's an agenda item to
2 recommend, I believe, awarding management --
3 Construction Management to Harris, Wong Harris. Okay.
4 Isn't their executive staff made up of PB people that
5 came from PB? So aren't they going to be, for \$34
6 million, watching the people that they work with and
7 came from? Is that -- doesn't that kind of sound like
8 what happened with the PR firm a few years ago, which
9 gave genesis to -- they weren't vetted on conflict of
10 interest, which then gave birth to that problem. So
11 there's a concern that things are not happening in an
12 honest, transparent, clear way that people understand.
13 This is something that's troubling. Your staff, your
14 administrative staff, your CEO came from PB, used to be
15 a PB guy. Okay. Aren't you hiring people within your
16 hierarchy who work for the people you're supposed to be
17 watching?

18 There was an article about an engineering
19 association and I'm not -- I don't remember who it was,
20 that recently had an article expressing concern about
21 the plan to have contractors, these contracts that are
22 building this design build thing, hire their own
23 inspectors. So the people that would be inspecting
24 their work would actually be reporting to them. Doesn't
25 all of this conflict of interest and not getting the

1 best bang for the buck for the public and things that
2 are going to set your project back, at the end, if
3 they're not clearly vetted out to public and done in a
4 logical manner that makes sense, if there are reasons
5 why you are all doing this stuff this way, perhaps you
6 need to explain it to the tax payers of the State of
7 California. I want to thank you for the extra time that
8 you gave me, and again, I wish you all a happy New Year.

9 CHAIRMAN RICHARD: Thank you. We'll be
10 having that presentation on the Construction Management
11 contract, and I think we'll be able to address some of
12 those questions that Mr. Oliveira raised.

13 David Schwegel followed by Ted Heart.

14 MR. SCHWEGEL: Good morning fellow leaders.
15 My name is David Schwegel, and I wanted to start out
16 first by expressing my appreciation to the board for a
17 very valuable insight that I personally saw at the
18 Transform meeting, the US HSR Los Angeles conference as
19 well as the Merced open house. I especially appreciate
20 the comments about the Pacheco through the Altamont and
21 the Central Valley university's potential for primary
22 high-speed rail curriculum.

23 We recently learned that China launched its
24 14-hundred-plus mile high-speed rail line, the world's
25 longest, and when we hear news items like that, that

1 give dreamers like me the potential for dreaming about a
2 transcontinental high-speed rail system here at home.
3 Now, while it's unlikely that we're going to see such a
4 transcontinental high-speed rail system materialize
5 between now and February, I encourage you to make the
6 trip to DC next month anyway for the February 11th
7 through 13th High-Speed Rail Conference, which will
8 feature the Joe Boardman of Amtrak as well as Pat Natale
9 of ASCE on the subject of ASCE, American Society of
10 Civil Engineers. As a friendly reminder, the California
11 region is hosting an infrastructure symposium on March
12 6th at LA MTA.

13 Finally, with regard to the millennium
14 generation, we heard from them fairly extensively at the
15 San Francisco board meeting last April. They are key to
16 making this project a success, and I encourage us to do
17 everything we can to reach out to the millennium
18 generation, because as they explained, this system
19 represents how they access their employment, education
20 destinations. Thank you so much for all that you do,
21 and keep up the great work.

22 CHAIRMAN RICHARD: Thank you, Mr. Schwegel.

23 Ted Heart followed by George Flemming.

24 MR. HART: Good morning. My name is Ted
25 Hart. I am the state coordinator for Tea Party Patriots

1 regarding high-speed rail. I'm not opposed to the
2 high-speed rail, but after over two years of attending
3 your board meetings and all of the hearings at the
4 capitol, I'm opposed to your business plan. It's a
5 fiscal disaster and needless expenditures. I can give
6 you an example, it would be the Authority's optimistic
7 cost numbers, which depend on riderships values that are
8 unproven, and in the case of the IOS operating between
9 Merced and Los Angeles are unstudied as they are
10 unbelievable.

11 The Authority projects 5.8 million passengers on
12 this 300-mile length of track connecting Los Angeles and
13 Merced via Palm Dale, Bakersfield, Hanford, and Fresno.
14 So let's contrast that with the IOS with Amtrak
15 connecting the truly major populations centers of Boston
16 and Washington DC via New York City, Philadelphia and
17 Baltimore, roughly four hundred and fifty miles in
18 length. It carries only three and a half million riders
19 per year. Not surprisingly, a projected revenue of five
20 hundred and forty three million is less than what the
21 Authority projects for its Merced to LA run in 2025,
22 five hundred and ninety two million or a medium scenario
23 2012 dollars.

24 The reason that I dig into all of this is because
25 it has to do with the question of subsidies that is very

1 clearly laid out in Prop 1-A as you all know. The
2 concern is that millions of dollars of debt that will be
3 left to the children, grandchildren, and great
4 grandchildren. This may be okay in the world of
5 Governor Brown's choo-choo to nowhere, but it's
6 absolutely immoral, and we, the people, are going to do
7 everything possible to protect our children,
8 grandchildren, and great grandchildren, which I have
9 five of. Waste of their money.

10 So back to the initial point is, these are facts
11 and figures that -- and I have been studying this thing
12 without question for over two years and would like very
13 much at some point to have come clarification as to how
14 you arrive at some of this. Thank you for your time.

15 CHAIRMAN RICHARD: Thank you, sir.

16 George Flemming followed by Don Zweifel.

17 MR. FLEMMING: Good morning, ladies and
18 gentlemen. I'd like to know what it is about
19 bankruptcy, unvetted obligations, and walls of debt that
20 you folks apparently don't completely understand. Our
21 greatest governments have already mortgaged our children
22 and our grandchildren's financial futures far beyond any
23 acceptable level of fiscal responsibility. Considering
24 that fact, for you at this point in time in this chamber
25 to be here considering even spending anymore billions of

1 the tax payers' money on this bullet train to nowhere is
2 irresponsible, is a betrayal of public trust, and it's
3 reckless.

4 I'm suggesting, folks, that you do yourselves a
5 favor and do the people of California an even bigger
6 favor and pull the plug on this moonbeam madness, and do
7 it today. Thank you.

8 CHAIRMAN RICHARD: Thank you, sir.

9 Don Zweifel followed by Robert Allen.

10 Good morning, sir.

11 MR. ZWEIFEL: Since I only have two minutes,
12 let me do this fairly quickly. In regards to the plan
13 for meeting the SBE goals, the estimated participation
14 based upon the current staffing plan, may I address an
15 issue having to do with the chambers group. Evidently,
16 I need a clarification, we need a clarification,
17 regarding awarding the entire goal to chambers group.
18 At least, that's the impression that we're getting here.
19 So the question would be, is whether the chamber group
20 is the prime, and then, of course, we also would like to
21 ask a question about the SBES as to whether -- as you
22 know, it was a 17 percent goal for SBES, and it looks
23 like there are -- one, two, three, four, five, six,
24 seven, eight -- eight contractors and the question is
25 whether they are primes. There's no clarification on

1 that. So what we're seeking here is the chambers group
2 going to received the entire -- it looks on the face
3 that the entire goal 3-point -- three percent goal is
4 being awarded to the chambers group, and, of course, may

5 I will also mention, by the way, as a sidebar
6 that I'm on the Governor's Interagency Council for
7 Veteran's Affairs working group and the employee group
8 working, so this is why -- I'm not representing them,
9 however, but I did want you to know that we -- I will
10 talk to the secretary about this matter. And I guess
11 that's basically all that I wanted to mention. Thank
12 you very much, board members.

13 CHAIRMAN RICHARD: Thank you. We will look
14 into that.

15 Mr. Allen, Robert Allen, followed by Kevin
16 Dayton.

17 Good morning, Bob.

18 MR. ALLEN: Good morning. My concern is, as
19 usual, about the blended rail. It's decidedly unfair.
20 It will be -- cause a lot of delays in the train
21 service. The main thing I want to talk about today is
22 about running high-speed rail up the Mulford line that
23 Amtrak has been using for a long time, from Santa Clara,
24 instead of going up the peninsula to San Francisco on
25 commute line, which is dangerous, if you run up the

1 Mulford line by Amtrak, and then you work with BART to
2 move the station -- you'll see it on the map, there --
3 move the west, beneath the west Oakland station, build a
4 new station, which we will call San Francisco Bay Rail
5 Station. That will be about three thousand feet to the
6 west along BART, and it would provide for good
7 intermodal station and provide ultimately for high-speed
8 rail to go on up to Sacramento without the cost of any
9 tunneling, without the cost of any future Trans-Bay
10 tube, without the cost of underground rail terminal
11 facilities in San Francisco. It will serve the public
12 well, and it would be much safer than the method you
13 proposed with blended rail. Thank you.

14 CHAIRMAN RICHARD: Thank you, Mr. Allen.

15 Next is Kevin Dayton.

16 Good morning, Mr. Baker.

17 Followed by Mr. Dan Dolan.

18 MR. DAYTON: Good morning, Chairman Richard.
19 My name is Kevin Dayton. I'm with Labor Solutions, LLC.
20 I am the person who wrote the analysis of the Project
21 Labor Agreement that is Addendum 8 in the Request For
22 Proposal to the design build entity. That's the
23 analysis that the building and construction trace part
24 AFL and CIL is upset about. I will note that their
25 criticism of it does not criticize the accuracy of it.

1 I'll point out a couple things here. In your Request
2 For Proposal, you have a section, and this is where bids
3 were reviewed last Friday for the five design build.
4 Section 7.11.3 says, "contractor will be required to
5 comply with community benefits agreement," and then in
6 section 10.1, it says that the Authority won't recommend
7 an award of contract unless the entity has signed
8 whatever percent agreed to be bond by community benefits
9 agreement," and then the Addendum 8 is the sample draft
10 community benefits agreement, which is actually a
11 Project Labor Agreement worded with some language from
12 the community benefits policy -- that you passed in
13 December -- was stuck into it as a content. So you come
14 very close to a Project Labor Agreements here, and you
15 had mentioned that, Chairman Richard, you wanted to find
16 a way to possibly bridge the gap. I know it's
17 difficult, but I will bring up a couple things.

18 First, I think it would be worth while if the
19 board had a discussion about this project's labor
20 agreement and how it would affect the bidding and cost
21 and I'm not afraid to have a -- I think it would be
22 good. This happens all the time all over the state with
23 government agencies that consider Project Labor
24 Agreements. You discuss it and decide it.

25 I also think there should be an effort to exempt

1 building structures from any Project Labor Agreements.
2 The rails aren't going to be built by union workers
3 anyway, but when we're getting to the stations and
4 things like that, that's where you're going to be
5 cutting out a lot of bidders who are nonunion. So I
6 would like you to keep those in mind as you move forward
7 with this. Thank you.

8 CHAIRMAN RICHARD: Thank you, sir.

9 Dan Dolan followed by Ross Browning.

10 MR. DOLAN: Thank you, Mr. Chairman. I'm
11 pleased to notice that Lynn Schenk and Jim Hartnett were
12 reappointed as directors of the board. Also, I wanted
13 to applaud CEO Jeff Morales on the work that he and Dan
14 Richard did last week, Thursday and Friday, in
15 Washington, DC. I was very impressed by the decision
16 Mr. Morales made to have a -- make a cost savings and
17 increase the purchasing power of the Authority by
18 forming an alliance with the US Department of
19 Transportation and also Amtrak as far as the train
20 settles. And you'll notice, Mr. Morales, that you did
21 that without using the RFP device.

22 Over and over again, the engineers and other
23 people have complained about the complexity and the
24 wordiness and the difficulty in many people
25 understanding the terms of the RFPs and how they're

1 construed in favor of the Authority in almost every way,
2 and also, there's a feeling, which is true, that the
3 state legislature has allowed Mr. Morales to use
4 Caltrans on any contracts and cancel contracts that
5 don't fit for their purposes, and that's fine, but I
6 just want the board to know that you have the
7 responsibility to oversee decisions made by staff and
8 Mr. Morales, and their decisions shouldn't be made in a
9 vacuum. In fact, learning from this experience with the
10 train sets, maybe Mr. Morales should broaden his
11 thinking and consider having the US Geological Survey
12 work with the Authority on the Antelope Valley tunnels.

13 Similarly, he said that there's three inspection
14 oversight players, and I suggest, why don't we introduce
15 a fourth one, and that's having experts of the railroad
16 community, particularly, Union Pacific and Burlington
17 Northern, partner with the Authority and give their
18 expertise and guidance and request that -- two things
19 that Caltrans, as brilliant as their engineers and
20 management is, they don't build railroads for a living.
21 They build highways, so there's things that they can
22 help you with by just asking, and the same thing with
23 European high-speed partners from different counties,
24 they have the experience that will help you, but you
25 have to ask for it.

1 Similarly, Stewart Title explained in a
2 conversation last week while you were in Washington to
3 John Tapping and Tomas Fellenz that the business plan
4 was inadequate as to addressing the multi-billion-dollar
5 expenses of constructing an 11-mile tunnel through
6 Antelope Valley, the cost of the heavy maintenance
7 facility, the cost of world-class passenger stations.
8 These are outside the scope of present RFPs and Stewart
9 Title wants to let the board and Mr. Morales know, since
10 you weren't there for the phone call, and Chairman
11 Richard, know that they're willing to do your RFP
12 process or some other. They authorized \$2 billion worth
13 of title insurance for these expensive, major
14 improvements.

15 CHAIRMAN RICHARD: Thank you, Mr. Dolan.

16 Ross Browning followed by Dave Cross.

17 MR. Browning: Good morning, Chairman
18 Richard and board members. Ross Browning from Layton
19 California. I'd be remiss if I didn't mention an
20 occurrence that happened last evening in Hanford and
21 it -- two things that happened. One was -- I don't know
22 who wrote the letter, but it sounded official, and I
23 will find out when I get back. But a letter was read by
24 the -- to the City Council stating that the western
25 alignment in Hanford had been chosen as the desired

1 alignment. That's one thing that kind of surprised us.
2 But I must say that the leadership and the citizens of
3 Hanford and Kings County stayed the course, and a vote
4 was taken and the vote was four to one for the City of
5 Hanford to not select -- or not give a type of approval
6 to a given alignment. These need to -- to say that I
7 think that we need to see more transparency. We have
8 seen some, but, certainly, not anything that was
9 expected. We need more transparency in the operation.
10 There are too many things happening behind the scenes,
11 and so far, we have been able to stay ahead of most of
12 them, but once in a while, you guys win one. So I just
13 want to tell you, it looks like everything is not
14 preaches and cream in Camelot.

15 CHAIRMAN RICHARD: Mr. Browning, let me
16 just -- and thank you, sir. And let me just say, while
17 it's possible that at some point in the future, the
18 board would express what's called a preferred alignment
19 under CEQA, no such decision has been made, nothing like
20 that has come to this body, and so I just want to assure
21 you and your neighbors that we are proceeding under the
22 guidance of the CEQA process.

23 MR. BROWNING: As I said, it was read. It
24 was read by the City Manager. So it's not a -- it's not
25 something that -- something from the --

1 CHAIRMAN RICHARD: I was just looking at
2 Jeff Morales like, "Did you send a letter?" He's going,
3 "I didn't send a letter."

4 MR. BROWNING: Talk about more transparency.
5 I don't know. I intend to find out and look at it.

6 CHAIRMAN RICHARD: That's fine, and I just
7 wanted to comment on that because I know that these
8 issues in Kings County are important, but we're going to
9 proceed in accordance with the law and in accordance
10 with the public participation process. Thank you,
11 Mr. Browning.

12 MR. BROWNING: Thank you, very much

13 CHAIRMAN RICHARD: Okay. Dave Cross
14 followed by our last speaker, Marvin Dean.

15 MR. CROSS: Good morning, gentlemen. My
16 name is Dave Cross. I'm an architect from Bakersfield,
17 California, a member of the downtown -- Bakersfield
18 Downtown Business Association, a member of the
19 Bakersfield American Institute of Architecture, a member
20 of the Kern County Minority Contractors Association, and
21 I want to -- and also, I represent many stakeholders in
22 Bakersfield and Kern County and have for many years.

23 I have been working on this for 12 years, more or
24 less, and we own the largest piece of property and right
25 adjacent to where the project is going. The station is

1 going in Bakersfield. The City took it under imminent
2 domain the day after you announced where the station was
3 going. They filed imminent domain papers. It took them
4 four years to get it, but I want to take this
5 opportunity to hand it to the board, the most becoming
6 efforts that I could announce to you on your work and
7 very adverse circumstances to bring the project to this
8 point, and it looks as though you're going to have a
9 successful conclusion all the way through the whole
10 State of California.

11 But I'm here mainly to discuss the so-called, as
12 has been described here, as the Project Labor Agreement,
13 which is flying under the guise of a community
14 benefits agreement according to the title in which you
15 call chapter -- or call Addendum No. 8, and it took me a
16 long time to find that. It didn't come out until
17 December 26th. I had been searching for such an
18 agreement going back quite a few months, and as Mr. Jeff
19 Morales will recall, that came up in Bakersfield a few
20 months ago at the Bakersfield luncheon by Kern Minority
21 Contractors Association.

22 I would like to ask that that agreement to be
23 amended to be fair, just and equitable to one hundred
24 percent of all of the available workforces and also
25 those under -- underemployed individuals that could be

1 brought up to the stage of providing labor for this
2 project. I understand one of the biggest concerns is,
3 is there enough labor to perform the work involved in
4 the 4 years that this work has to be done on the first
5 \$6 billion worth of work. And I understand also that
6 the board has set aside thirty percent of that for some
7 so-called special arrangement amongst labor, but I don't
8 see how that is tied into the labor agreement. I wrote
9 architectural specifications for many years around such
10 agreements and so on and I think if the board's policy
11 is to provide for this thirty percent, it definitely has
12 not been done in this draft agreement called a community
13 benefits agreement.

14 Another quick thing is in Bakersfield, as you
15 know, the City and the County have both in, let's say
16 recent time periods, turned against what they were
17 before. Before they were against it -- the high-speed
18 rail coming through Bakersfield and there are meetings
19 going on, and Diana Gomez, I know, has been attending
20 those meetings, but also from the Bakersfield side, I
21 understand that the City has invited those against the
22 high-speed rail to come and be a part of those meetings,
23 and I can't understand why those who were for the
24 high-speed rail aren't invited as well. I think a fair
25 and just and equitable, level playing field would be in

1 order, and I assume that the high-speed rail authority
2 would have the power to invite the -- those who were
3 for, if the City is inviting those who are against.

4 Also, in the olden days, this board used to meet
5 in Bakersfield on occasion. I can't understand why they
6 haven't met there for quite some time. I hope they will
7 consider that maybe at their next meeting, maybe at
8 their April meeting in that there's going to be a group
9 called the Advisory Board to the High-Speed Rail
10 Authority is going to meet there, and I'm just hopeful
11 that you folks will perhaps consider that, and I thank
12 you very much for letting me go over in such an arduous
13 way.

14 CHAIRMAN RICHARD: Thank you, sir, and let
15 me assure you that Mr. Morales and I were discussing
16 where the board is going to meet this upcoming year,
17 and, certainly, that's on the agenda. We might try to
18 spread the meetings around, and we appreciate the fact
19 that a lot of people who came here today traveled long
20 distances.

21 MR. CROSS: And I'm sorry I was late,
22 because the train from Bakersfield didn't arrive until
23 ten after.

24 CHAIRMAN RICHARD: You know, sir, we're
25 actually trying to address that very issue.

1 MR. CROSS: Thank you.

2 CHAIRMAN RICHARD: Thank you.

3 Last one is Marvin Dean.

4 MR. DEAN: Thank you. I want to, first of
5 all, before I start my remarks, I wanted to do a short,
6 quick token of appreciation to this board, the staff of
7 the High-Speed Rail Authority, and also to your small
8 business advisory group because some of us believe that
9 we have come a long way in getting this project moving
10 forward. And one of things we did at our conference in
11 February -- January 10th and 11th in Bakersfield, and I
12 want to say before we move forward, we just took a pause
13 in the conference, and we're going to have part two in
14 Bakersfield April 18th and 19th, and I'm going to be
15 asking our key note speaker for our lunch that had to
16 bow out because we were at Sacramento, Washington making
17 sure this project was effected, that we're going be
18 asking the Chairman and the CEO to attend that meeting.
19 I'll talk about that later.

20 But what we did was -- at our dinner, we gave
21 little tokens of appreciate for everybody that did
22 something on behalf of the DBE community in terms of
23 showing that the people are doing the things, and need
24 to be recognized. And so we made these mugs up, which
25 basically is our Sixth Annual High-Speed Rail

1 Conference, Thank You For Supporting Small Business DBE,
2 Disadvantaged Veterans Micro Business Contracting
3 Opportunity. So I left a number of these here just for
4 the members of your team, because I wanted to show our
5 appreciation.

6 CHAIRMAN RICHARD: Yeah, thank you. We're
7 going to have to get a legal opinion as to whether we
8 can accept these.

9 MR. DEAN: The other thing I waned to say,
10 and that is, I want to hand these out real fast.

11 CHAIRMAN RICHARD: While you're doing that,
12 Vice-Chair Schenk pointed out that if we're not allowed
13 to accept them, we'll make sure that they just go to the
14 generalized office, so everybody can use them.

15 MR. DEAN: Thank you. And that is, what I
16 have given you real quickly -- and this is addressing
17 this draff community benefit agreement, Addendum 8. We
18 have no major problems with it, but we do have some
19 suggestions, things that we'd like to have included in
20 this and there's two pages, two letters. One is from
21 our association and the other one is from the Oakland
22 Black Board of Trade and Commerce. They're going to
23 talk specifically about language that we'd like to see
24 in the agreement, but I want to just talk about trade
25 association, and you'll see the several associations

1 that support this, and it basically comes down to three
2 items. One is effective targeting outreach to those ten
3 categories of disadvantaged people. We believe that
4 more needs to be given emphasis on small trade
5 associations and folks that have a history of working
6 with that targeting group because we don't think -- and
7 that's nothing against the unions, nothing against the
8 merit shops, nothing against the workforce investment
9 groups but if we look at a lot of these projects, you
10 don't see a large increase of those particular
11 categories, people we're talking about that we want
12 included on these projects. So we're saying that you
13 need to play a role in this process for outreaching
14 those targeting areas for people that do this every day
15 and have a history of working with those effected
16 groups. We're targeting outreach, so we can get those.

17 The second piece of it is, a lot those folks, if
18 you, walked up to them and gave them an opportunity to
19 go to a job, they're not job ready. So we think there
20 has to be also emphasis on job readiness for those
21 targeted groups. And we -- again, who is going to do
22 job readiness? They need to be people that have a
23 demonstrated history of effecting, targeting those
24 groups and going out there, find where they are, and get
25 them ready.

1 And then the third one is pre-apprenticeship,
2 effective pre-apprenticeship with the folks that can
3 address that targeted group and get them ready, and then
4 that group, that group that's selected to do that, would
5 then be used to do a referral into the
6 pre-apprenticeship program. You are getting them ready
7 and working in partnership with the High-Speed Rail
8 Authority, the prime contractors, and the unions or
9 whoever are going to be actually doing the training.
10 But I think that's an oversight that you're not using --
11 giving enough emphasis for those of us that's on the
12 ground, in the trenches, that support this project and
13 support diversity on this project. And if we don't
14 address it, it's not going to just happen on its own.
15 It's going to take heavy work and lifting from all of us
16 to make this thing work, to reach these goals. It's
17 going to be very challenging for all of us.

18 And then the last thing, I'll say briefly, some
19 of you heard about the Fresno conference we had, and I
20 wanted to say what that was and was not. It wasn't
21 about taking any sides, whether they should be union or
22 nonunion. None of that. It was about having a
23 conversation and making sure that the labor piece in the
24 Valley in this project goes forward. And, like, we
25 didn't all agree, but I think we can come to this thing

1 in good faith and have a conversation now before the
2 project start in good faith and we can bridge
3 differences, because nobody's going to get one hundred
4 percent. But there's ways for all of us to work on this
5 project, and that's what it was about. And we're going
6 to be having more of these as we go forward. We wanted
7 to be helpful with this, not be a problem to this thing.
8 So we support what you do. So thank you for your time.

9 CHAIRMAN RICHARD: Thank you very much,
10 Mr. Dean, appreciate those comments very much.

11 Thank you all for public comments today.

12 I want to thank Mr. Doland for doing something
13 that I was thinking about while the speakers were
14 talking, and I realized that I had been remiss, because
15 I appropriately congratulated Mr. Hartnett on his
16 reappointment to the board, but actually, since we last
17 met between our last meeting and this meeting, Governor
18 Brown reappointed our vice-chair, Lynn Schenk, and we
19 were very, very pleased about that. Ms. Schenk, as you
20 all know, really was the architect of most of this going
21 back several decades and also during her time in
22 Congress. So we're very pleased that the Governor asked
23 her to continue her service with us. Thank you.

24 Okay. With that, we'll move now to Item 1 of the
25 agenda, the approval of the meeting.

1 Mr. Fellenz.

2 MR. FELLENZ: Yes.

3 CHAIRMAN RICHARD: It is your name here next
4 to it. Don't look so shocked when I look at you. I
5 guess what I'll do is just ask for a motion to approve.

6 MS. SCHENK: So moved.

7 CHAIRMAN RICHARD: Moved by Vice-Chair
8 Schenk.

9 MR. HARTNETT: Second.

10 CHAIRMAN RICHARD: Seconded by Mr. Hartnett.
11 And please call the roll.

12 MS. REED: Vice-Chair Schenk.

13 MS. SCHENK: Yes.

14 MS. REED: Vice-Chair Richards.

15 MR. RICHARDS: Yes.

16 MS. REED: Mr. Umberg.

17 MR. UMBERG: Yes.

18 MS. REED: Mr. Hartnett.

19 MR. HARTNETT: Yes.

20 MS. REED: Mr. Rossi.

21 MR. ROSSI: Yes.

22 MS. REED: Chairman Richard.

23 CHAIRMAN RICHARD: Yes.

24 Okay. And just to clarify, that was for both the
25 minutes of November 14th, 2012 and December 3rd, 2010.

1 Okay. Next, is the informational update on the
2 supplemental alternatives analysis for the central
3 valley wye.

4 Mr. Morales, do you want to introduce this, or
5 should I just --

6 MR. MORALES: We can just proceed. The
7 board asked for an update on the wye. We're coming back
8 and letting you know where we are with this and with
9 regard to further analysis of alternatives, where we are
10 with our partner agencies in therms of their review, and
11 what the stakeholder outreach has been and will be as we
12 move forward throughout this.

13 CHAIRMAN RICHARD: And good morning, Mark,
14 I'm sure you heard Ms. Radaba's comments. If there are
15 any that you're prepared to address today, that will be
16 good. If you're are not, then you can, perhaps, follow
17 up with us on those items.

18 MR. MCLOUGHLIN: Yes, I heard her comments.
19 Thank you.

20 MS. SCHENK: I, especially, would like to
21 hear, which I'm assuming you would be prepared today to
22 say, when she said that her membership was not
23 contacted. No one knew about this. So that's --
24 obviously, if that's true, that's troubling. So I would
25 like to hear something about that, too. Thank you.

1 MR. MCLOUGHLIN: All right. Again, good
2 morning, Mr. Chair and the board. Mark McLoughlin, the
3 deputy director of the environmental planning for the
4 High-Speed Rail Authority of California. I do have with
5 me Gary Kinnerly of the PMT if you have some technical
6 questions that may come up from the board today. He's
7 shown strong leadership on this section for us, and
8 especially with public outreach.

9 Again, this agenda item provides an informational
10 update, again, on the status of the planning for the San
11 Jose to Merced section. Back in May of 2012, the board
12 directed staff to come back and keep the board apprised
13 of progress on the Central Valley wye area. This
14 presentation will give you an overview of our staff
15 approach to the San Jose to Merced section as a whole,
16 and particularly, the Central Valley wye area.

17 The San Jose, Merced section is 125 miles long,
18 starting where the San Jose Diridon Station to the
19 downtown station in Merced to the station in Gilroy.
20 The project section alignments were studied in the
21 supplemental AA in July of 2011. This section has five
22 subsections of various sizes. They are the San Jose
23 station approach, the Monterey Highway area, the Morgan
24 Hill to Gilroy, and within this, there's two alignments
25 under consideration, US 101 and UPRR and -- excuse me.

1 Two alignments under consideration, the US 101 and UPRR,
2 two station locations in Gilroy that are under
3 consideration and -- which include downtown Gilroy and
4 east of Gilroy. We're evaluating design options of
5 facilities to address feedback received and the need to
6 operate the San Jose station as a temporary service and
7 under the phasing approach in 2012 business plan.

8 Pacheco Pass is another. We are working with the
9 resource agencies regarding impacts in and around the
10 San Louis Reservoir and San Joaquin Valley crossing in
11 the central wyes. This area will be the focus of today's
12 presentation.

13 In the area from San Jose over the Pacheco Pass,
14 staff and the consulting teams have been involved in
15 numerous efforts to update the assumptions for the
16 section and incorporate, again, the phasing concepts in
17 the 2012 business plan. For example, the Authority has
18 supported and participated in the City of San Jose's
19 development of visual design guidelines and worked with
20 the City and local stakeholders on the San Jose station
21 approach. Also, the Authority has also developed an
22 alignment alternative to minimize impacts on Coyote
23 Creek Parkway and -- including the creek itself.

24 The high-speed rail -- on this slide -- the
25 high-speed rail project phasing raises the need for

1 maintenance of equipment and infrastructure of
2 facilities south of San Jose. We are looking at sites
3 of roughly 65 acres for light-weight engine storage.
4 There are promising site options in the City of Morgan
5 Hill and also south of Gilroy. The Authority has
6 supported the City of Gilroy's planning process for
7 developing its own views on what an appropriate way of
8 implementing high-speed rail in Gilroy would be. The
9 City concluded that that process in February of 2012
10 with a recommendation for downtown Gilroy station.
11 Staff has also been coordinating with the Department of
12 Water Resources and the US Bureau of Reclamation to
13 minimize impacts and develop mitigation strategies for
14 crossing the San Louis Reservoir. In accordance with
15 the Authority's Memorandum Of Understanding with the US
16 Army Corps of Engineers and the US Environmental
17 Protection Agency, staff will submit for both a proposed
18 range of alternatives to these agencies for their
19 concurrence recommending carrying forward the options
20 that you see here.

21 For the Central Valley wye area, you directed
22 staff to do further environmental analysis. The staff
23 approach to handling the Central Valley wye area, where
24 the high-speed rail systems north and south and east and
25 west portions converge was presented back to the board

1 back in July of 2011 prior to the release of the Merced,
2 Fresno draft EIR/EIS. The described approach was to
3 expand upon a range of alternatives and add study of an
4 SR 152 route be in consideration along with Avenue 21
5 and Avenue 24. This approach was specifically described
6 in the Merced to Fresno draft EIS and again in the final
7 EIR/EIS.

8 Again, the board made no decision on a preferred
9 alignment for the Central Valley wye area back in May of
10 2012 and you certified the Merced to Fresno EIR/EIS.
11 Instead, the board opted to carry forward the Central
12 Valley wye, as shown within the rectangular box, as part
13 of the San Jose to Merced section. The board also asked
14 staff to look at ways to expedite the wye area as a way
15 to find an alignment for this area sooner than later.
16 Specifically, the board recommended to staff to carry
17 forward for the first study an analysis of all
18 high-speed rail elements in the wye area, the box, so to
19 speak. Such analysis shall determine whether any of the
20 current wye alternatives should be changed, and it did
21 eliminate it for additional wye alternatives considered.

22 The Authority staff and our consultant team
23 looked carefully at multiple potential options for the
24 Central Valley wye, also known as "in the box." These
25 potential options follow the three east/west

1 connections, Avenue 21, Avenue 24 and SR 152 in
2 combination with the three north/south corridors, which
3 are west of Chowchilla, SR 99 UPRR, and east of
4 Chowchilla. These potential additional options or
5 adjustments to existing options encompass a spaghetti
6 bowl, so to speak, of possibilities. These include two
7 options that would go east of Chowchilla and including
8 options that would move along Route 11 and Route 13.
9 The various alignments were developed to minimize
10 impacts, to protect resources, and address concerns
11 raised by the local community. Community input favored
12 east and west alignments immediately adjacent to the
13 existing transportation facilities, especially SR 152 as
14 the dominant east/west facility, north/south connections
15 along property boundaries to minimize the splitting of
16 existing farm operations and minimize impacts to
17 sensitivities -- or excuse to sensitive community
18 resources.

19 Based on staff's analysis and stakeholder
20 feedback, we're recommending to the US Army Corps of
21 Engineers and the US Environmental Protection Agency
22 that six alignments be carried forward into a
23 supplemental EIR/EIS that is focused only on the wye
24 area. There are six alignments to be carried forward,
25 three east/west options and three north/south options as

1 shown here on the map. They are consistent with the
2 board's prior direction to includes adding SR 152 in
3 conjunction with Avenue 21 and Avenue 24 wyes. The
4 Authority will issue -- will be issuing a Merced to
5 Fresno supplemental draft EIR/EIS on the Central Valley
6 wye area only and that this will proceed in advance of
7 the draft EIR/EIS that will evaluate the San Jose area
8 across the Pacheco Pass. As directed in May by the
9 board, this approach is intended to bring resolutions
10 more quickly to this area of the system.

11 To recap, the next steps in the process are as
12 follows: In accordance with the Authority's Memorandum
13 Of Understanding, again, with the Army Corps of
14 Engineers and the US Environmental Protection Agency,
15 staff will submit six proposed ranges of alternatives to
16 these agencies for their concurrence for the Central
17 Valley wye area only and for the San Jose to across the
18 Pacheco Pass. Staff will be conducting stakeholder and
19 public outreach over the next several weeks and months
20 to be followed up with supplemental alternatives
21 analysis report from the Central Valley wye area in
22 March. Our plan is to ensure that the supplemental
23 alternatives analysis report clearly describes the input
24 received from the regulatory agencies, affected local
25 governments, and the public. We also plan to take all

1 that input into account along with technical
2 information, the staff recommendation, and in what we're
3 calling "proposed action" to identify in the
4 supplemental draft EIR/EIS for the wye area, which we
5 anticipate we'll be releasing later this year. The
6 draft EIR/EIS from the San Jose wye area would then
7 follow latter in 2015.

8 Following public comment, we anticipate a NOD/ROD
9 for the San Jose to Central Valley wye in the fall of
10 2016. Thank you.

11 I know that was a lot of information.

12 CHAIRMAN RICHARD: No, it was good. Just a
13 quick question before I turn to my colleagues. I'm
14 sorry. I missed something because I was looking ahead
15 on the chart. So the piece on the -- you would expect
16 an EIR/EIS determination on the portion outside of the
17 wye proceeding towards San Jose in 2015, is that -- did
18 I understand that correctly? Or we could go back to the
19 last two slides.

20 MR. MCLOUGHLIN: It should be 2016 San Jose
21 to Central Valley wye, from the San Jose though to the
22 Central Valley wye.

23 CHAIRMAN RICHARD: Okay. So that's, when?

24 MR. MCLOUGHLIN: 2016.

25 CHAIRMAN RICHARD: Okay. All right.

1 Questions from members? Vice-Chair Richards, are you
2 trying to --

3 MR. RICHARDS: I'm trying. Thank you. I
4 wanted to just also clarify for a moment with what the
5 Chairman was just requesting, Mark. So what's happening
6 with the wye specifically is it's still a part -- are
7 you still proposing it's a part of the San Jose/Merced
8 EIR or is it being -- is that being restudied now as a
9 supplemental EIR/EIS?

10 MR. MCLOUGHLIN: Yes, for the Merced to
11 Fresno section.

12 MR. RICHARDS: The second thing I said is
13 what's correct, so that will be a part of the second
14 study. Okay. So the implications of that, I would
15 assume, would be to help expedite the process of making
16 a decision in the wye.

17 MR. MCLOUGHLIN: Correct.

18 MR. RICHARDS: Which I, frankly, applaud you
19 on that, Jeff. It -- in the many meetings that we have
20 had with stakeholders and people who have contacted us,
21 clearly, would identify one of the major concerns is the
22 lack of specificity as to what's going to happen in the
23 area. So I think you're addressing that, and I think
24 that's exactly the appropriate approach.

25 Secondly, it certainly has been my experience in

1 this area, and I have met with a number of the
2 stakeholders as has the Chairman, and now Ms. Gomez, who
3 has joined us, and I would say so far as Diana Gomez's
4 participation, I have had numbers of unsolicited
5 comments extolling the benefit and the appreciation for
6 Diana and the team in moving this process forward,
7 specifically, in the wye area. And, Jim, you should be
8 congratulated on the staff you're putting together.

9 Diana Gomez, you're doing a magnificent job. I
10 have yet to receive a negative comment, and that, in
11 combination with moving this forward, I think is going
12 to benefit the stakeholders in the area.

13 I am also troubled about what Ms. Radbaa stated
14 earlier, and that is there should be every effort made
15 to meet with her members. And as far as I know, if we
16 have not done that in the past, that's inappropriate.
17 Any meetings that have or will be done, set up in the
18 future, I would encourage us to ensure that we
19 participate. I think our experience, thus far, has been
20 in talking with and meeting with the stakeholders and
21 interested parties. We have gone a long way to
22 improving the relationship that we have had with those
23 communities, and I think this effort you're now making
24 will be applauded in moving this wye forward so long as
25 it's in strict compliance with the requirements of CEQA

1 and NEPA. Thank you.

2 CHAIRMAN RICHARD: I just want to associate
3 myself with Tom's comments. They're well said all
4 around. Thank you very much.

5 Yes, Director Umberg.

6 MR. UMBERG: Just a quick question. So the
7 first time we'll have an action to take on this
8 particular issue in the future is in April; is that what
9 you anticipate?

10 MR. MCLOUGHLIN: Yes.

11 CHAIRMAN RICHARD: All right. Mr. Morales,
12 did you want to comment?

13 MR. MORALES: Just a few comments, just
14 following up on Mr. Richards' comments and some of the
15 others, I want to extend on that a little bit. Moving
16 forward with this piece is very much intended do several
17 things. One is to try to remove the cloud of indecision
18 over the wye section and get to a decision sooner,
19 resolution sooner. It's also a prudent step to take as
20 a contingency should conditions allow that we have the
21 money to move forward and build more and close that gap
22 as part of the early construction. We would be able to
23 do that as a result of these decisions. I do want to
24 say that the work done to-date has been influenced and
25 been formed by meetings with the stakeholders in the

1 region. What I would like to do for the board and
2 share, certainly, with the public is we can go back,
3 compile a list of the meetings that have taken place
4 to-date, and certainly, the meetings that will be going
5 forward.

6 Part of the purpose of today's presentation is to
7 really kick off the next ground of public outreach and
8 provide the information, including information on how
9 decisions get made as we go forward. One of the
10 important things that I think has not been made clear
11 enough to people is that we do not control the decision
12 making on this in many respects. The Army Corps, the
13 EPA, other stakeholders have key roles in this process,
14 and one of the points of our outreach is to make sure
15 that people understand why certain routes are under
16 consideration, why some may not be, and how decisions
17 will be made moving forward. But there's -- there will
18 be an intensive public outreach launched now with this
19 presentation having been made to the board and in future
20 decision making as we go forward.

21 CHAIRMAN RICHARD: That's good.

22 MR. RICHARDS: Mr. Chairman, if I could just
23 make one final comment that I missed, and I think Jeff
24 was alluding to it. We also have an opportunity right
25 now because of the economic environment, any possibility

1 with the funds that we have available to leverage those
2 funds to get us all the way to Merced is something that
3 we clearly can't ignore.

4 CHAIRMAN RICHARD: That's good. Vice-Chair
5 Schenk.

6 MS. SCHENK: Thank you, Mr. Chairman.
7 During public comment, there was sort of a theme about
8 transparency and outreach and conflict of interest and
9 all those kinds of things. I have been in this whole
10 business for a long time, and I know that rumors are
11 very quick to be born, and in this internet age, boy,
12 you get multiple births of rumors very quickly. And
13 while it's probably more fun to believe them, I would
14 just like to say to everyone here and to the, the public
15 at-large that I, personally, and I know that I speak for
16 my colleagues, because I know them, and the staff are
17 committed to transparency, to openness, to public
18 participation and involvement.

19 Yes, there are going to be mistakes. You know,
20 this is fast-paced. It's under a laser, and things are
21 going to go awry once in a while. Hopefully, not too
22 often, but they will be just that, mistakes. There are
23 no back-room deals. There are no back-room meetings. I
24 have served on many boards and commissions over the past
25 40 years, and I have never seen one that is so committed

1 to following -- not just the letter of the law but the
2 spirit of the law. And some of you may choose to
3 believe the worst. That's fine. That's certainly your
4 privilege. But from the perspective of this board,
5 myself, our chairman, our CEO, we -- we, personally,
6 want nothing but to build this and to build it as best
7 we can with the cooperation of the public. There will
8 be disagreement, but it doesn't stem from nefarious
9 doings behind -- I guess we don't have smoke-filled
10 rooms anymore, but whatever is in the room, the public
11 will always be there.

12 And as to Mr. Morales, himself, yes, he did have
13 a brief stint in the private sector, but his heart and
14 soul has been devoted to public service, and I emphasize
15 the public service in Chicago with the transit there and
16 then heading up Caltrans for five years here in
17 California where I had the opportunity to closely
18 observe him. So we are fortunate to have him in this
19 position, and someday, children, grandchildren, and
20 great grandchildren, which I have several, myself, will
21 thank us for what we did here over this -- past years
22 and into the future.

23 CHAIRMAN RICHARD: Thank you, Ms. Schenk.
24 Thank you.

25 I think this was a timely briefing to bring to us

1 as an informational item. I think that hearing the
2 public input just causes us to redouble our efforts to
3 reach out, but I don't want to imply that there haven't
4 been meetings, but we will, as our two vice-chairs have
5 suggested, you know, do everything we can do to make
6 sure that this is proceeding apace and public
7 involvement.

8 So any other questions for Mr. McLoughlin?

9 Ms. Redaba, I'm sorry, but if we start opening up
10 for public comment again, we just never close but I'll
11 be happy to talk to you --

12 MS. RADABA: Is the Chowchilla box part of
13 the San Jose or not?

14 CHAIRMAN RICHARD: Let me offer this to you,
15 Mr. McLoughlin, Mr. Morales will be here after we
16 adjourn and have that discussion with you so that you
17 can convey that back to your members, see if there's any
18 lack of clarity --

19 MS. SCHENK: Anybody else can listen in.

20 CHAIRMAN RICHARD: And anybody else can
21 listen in. If there's still a lack of clarity, then
22 reach out to those of us on the board. We want to make
23 sure that this is done in a way that everybody
24 understands.

25 Mr. McLoughlin, thank you very much.

1 MR. MCLOUGHLIN: Thank you. I just wanted
2 to make one clarification. In March, we will come back
3 with a supplemental AA.

4 CHAIRMAN RICHARD: In March. Right. Thank
5 you.

6 Next item is Item 3, which is the proposal to
7 award the project and Construction Management contract.
8 Diana Gomez is going to present this item, and if it's
9 possible either Ms. Gomez or Mr. Morales, one of the
10 questions that was raised this morning by Mr. Oliveira
11 was the relationship between the CM function and the
12 prime contract and the prime contractor and the PMC. So
13 I know we did discuss this when you came before the
14 Authority to a disagreement, but it probably would be
15 good to just remind you.

16 Ms. Gomez, you really have a problem, because so
17 far, everybody is just saying good things about you. So
18 if you stub your toe, we'll have to put a note on the
19 website.

20 MS. GOMEZ: Well, first of all, thank you
21 for the vote of confidence. I'm really glad to be here,
22 and when I was introduced, I really didn't have an
23 opportunity to meet every single board member, but I do
24 appreciate the opportunity to work on this project, and
25 I'm really happy to be, you know, part of the team. So

1 thank you, again, for that, Chairman.

2 So what I'd like to do is talk about the contract
3 for project and Construction Management services for CP
4 1. So we are requesting authorization to execute a
5 contract for the Project Construction Management, the
6 PCM, services for CP 1 of our design build contract. So
7 the PCM will provide additional resources and support to
8 the authority for CP 1 as we go through the evaluation
9 process and also the design and construction process.
10 The PCM will provide the Authority onsite management,
11 staff, providing oversight for -- of the design build
12 contract and of the contract management services. So
13 the PCM will serve as a consultant. And what we're
14 trying to do is get the PCM consultant on board before
15 we start the final evaluation process for the design
16 build contract, and when I do mean taking action at this
17 January board meeting, this will allow us to use the PCM
18 during the evaluation process and there will -- it will
19 provide additional services to us. What -- if we
20 take -- if we approve this today, this will allow us to
21 issue a notice to proceed, again, prior to CP 1 contract
22 being awarded, and this will allow for this PCM to be on
23 board with the evaluation process, and also, you know,
24 in terms of allowing an early learning curve, and this
25 will allow for the PCM to be more effective once we

1 start with a PCM contract.

2 We did go through a very -- the evaluation
3 process was a very standard evaluation process. There
4 was four teams that provided bids. We first had an
5 evaluation process of the bids outlined in the memo to
6 you in terms of the criteria that we used. After that,
7 we then interviewed -- had oral interviews of three of
8 the contractors and then based on that, we selected Wong
9 Harris, and so we are asking and recommending that we
10 approve -- that the board approve the execution of the
11 contract with Wong Harris for the Project Construction
12 Management services for the CP 1.

13 CHAIRMAN RICHARD: Okay. Thank you. Ms.
14 Gomez.

15 Mr. Morales.

16 MR. MORALES: Thank you, Mr. Chairman. Just
17 a few things, and certainly, I would be happy to take
18 any questions or comments. One, I just want to be
19 clear, this is -- the way we're proceeding is very much
20 in line with the authority that the board provided in
21 allowing us to move forward through the procurement
22 process, and we're bringing on, if approved, this first
23 Program Construction Manager consistent within that
24 direction. I want to note also, I think something of
25 significance that if the teams that are the primes who

1 have joined together to form this team of
2 California-based firms, we're pleased about that. They
3 have extensive experience in transit rail programs, not
4 just here in California but around the country --

5 CHAIRMAN RICHARD: You're talking about the
6 teams for PCM?

7 MR. MORALES: The PCM, yes. Right. The
8 firm being brought before you for approval.

9 Extensive experience in transit and rail delivery
10 as well as in design build programs. Both, in transit
11 rail and design build experience with the state
12 previously. The small -- we have achieved something
13 very important to the board, which is the thirty percent
14 small business participation and the sub-goals that --
15 I'm also pleased to say that of the small business that
16 are part of those teams, over half of them are located
17 in the Central Valley had their basic phases there. All
18 of them will be doing work in the Central Valley. So we
19 think it's a very good beginning for our contracting,
20 and we're very pleased to bring it before you and
21 certainly be happy to respond to any questions.

22 CHAIRMAN RICHARD: Mr. Morales, can you just
23 take a moment to remind the public, what is the role of
24 the Project Construction Manager vis-a-vis the prime
25 contractors for the actual construction that we will be

1 selecting later this year.

2 MR. MORALES: The construction manager hears
3 the firm, this being the first one being presented,
4 serves as our agent in implementing the construction of
5 the contracts. So among other things, on a task order
6 basis, will ensure that the design builder is adhering
7 to all of the conditions of the contract, is performing
8 his work in accordance with the specifications. They'll
9 be reviewing their work product and reporting back to
10 us, ensuring consistency with all aspects of -- from,
11 again, the technical and engineering aspects to small
12 business participation, reporting of payment.

13 Diana, you can expand maybe a little bit more
14 better.

15 MS. GOMEZ: Yes.

16 MR. MORALES: Again, they are acting as our
17 agent directly contracting with us to oversee the
18 activities of those design builders.

19 CHAIRMAN RICHARD: All right.

20 MS. GOMEZ: And they'll be doing some survey
21 work, some environmental work, some oversight of the
22 actual construction, and ensuring that the contractor
23 is, hopefully, meeting the requirements when it comes to
24 the quality of what they're building.

25 CHAIRMAN RICHARD: Okay. Questions from

1 members.

2 Director Hartnett.

3 MR. HARTNETT: Yes. Comment and question.

4 First, it's clear that the role of Project Management
5 Construction firm is really important for the success of
6 everything we do, and implementing a project like
7 this -- and this is certainly standard even on much
8 smaller projects -- to have teams like this to draw on
9 their expertise and have them do those kinds of things
10 that are absolutely essential, but under our staff's
11 direction and control. I think we have talked in the
12 past about making sure that those kinds of decisions
13 that should be made by folks in a governmental position
14 make those decisions and that, though, we rely on as our
15 agents, that play their appropriate role as well but
16 subject to accountability to our staff. And so I
17 emphasize once again the critical importance of our
18 staff in connection with this as well.

19 Secondly, I think when, when we get reports like
20 this in recommendations, while we have the ability as
21 board members to inquire before the meetings to get
22 additional information as we might like, if we have
23 questions that will help form the public presentation
24 and help inform us, I think it's helpful to have more
25 information than less in our public reports as to the

1 board. I think that it would have been better to have
2 more information on the team that was recommended in the
3 report about their background, about their expertise,
4 about their history of performance so that while we can
5 ask as the board to have that information ahead of time.
6 So I would like to know a little bit more about the
7 specific projects and the history of the firm today to
8 have that discussed. I think that's important.

9 Additionally, there's -- I understand how these
10 teams are selected. I have been through this process
11 before, and I appreciate the selection process, the
12 rigger that was applied to this. And so I, I don't have
13 any issue with the process whatsoever. I think it's to
14 be expected, but I do like to know in the evaluation
15 team not necessarily the names of the people who are
16 part of the five-member team, what positions they held.
17 So as this recommendation comes forward, I know who is
18 vetted them through this process, at least by position.
19 So those are the two areas that I would like more
20 information on before we actually act on this.

21 CHAIRMAN RICHARD: Should we let Mr. Morales
22 comment on that or Director Umberg do you want to --

23 MR. UMBERG: Well, actually this is a follow
24 up on to Mr. Hartnett's comment.

25 CHAIRMAN RICHARD: Okay.

1 MR. UMBERG: He was just much more
2 articulate than I will be. It would be useful, I think,
3 to know both the evaluation team and also a bit about
4 the subcontractors. In fact, if we could, I'm
5 interested in finding out at least a paragraph about two
6 things, one, the role that they would play, who made
7 that decision, whether it was the prime that made that
8 decision as to the various roles or whether we, in our
9 RFQ or wherever made that decision, and then something
10 about each of these subcontracts, who they are, what
11 they do, that kind of thing.

12 CHAIRMAN RICHARD: Okay. Mr. Morales.

13 MR. MORALES: I'll ask Diana to fill in.
14 I'll just give you a sense of some the projects the
15 firms, the prime firms, that have been involved in
16 performing the same sort of role as a prime, the BART
17 extension, the Berryessa Extension. They're there.

18 CHAIRMAN RICHARD: That's to San Jose.

19 MR. MORALES: San Jose. Phoenix light-rail
20 line project. These are all multi-billion-dollar
21 projects. The Smart Project in Marin. There's a
22 similar role there. Something the Chairman will be
23 familiar with, the SFO air train system and the BART
24 extension are some of the project. Again, the
25 significance of those being all of them projects and

1 design build elements and their efforts involved in
2 overseeing, in fact, some -- potentially, some, of the
3 firms that might be involved in the design build. On
4 the other side of the state, they have also worked on
5 the 545 SR 22 project, design build project out of
6 state. That's a sample of the projects that they have
7 been involved with.

8 In terms of our evaluation team, Diana led that
9 team. I had Diana lead it, because this first contract
10 was happening in the Central valley. I wanted to make
11 sure she was directly involved in that. She can tell
12 you about the others on the team from an oversight and
13 implementation perspective. Diana will work with Frank
14 Vodka and the project delivery team to oversee the
15 contract -- construction manager and carrying out their
16 responsibilities as they go forward.

17 Mr. Umberg, on your questions on the small
18 business --

19 MR. UMBERG: Let me just amend it. I don't
20 expect that we're going to go through each of those
21 subcontractors today. My suggestion is that, with
22 respect to them, if I could get that information, which
23 is sometimes subsequently, that fine.

24 MR. MORALES: Absolutely, just in general
25 terms, the thirty percent goal is attached to

1 procurement. Each of the bidding teams knew that that
2 is the goal in place. One of the criterion -- a
3 criterion used in evaluating them is their compliance
4 with the thirty percent goal. The composition of that
5 thirty percent is up to each of the bidders to
6 determine. We do not dictate who is on their team, who
7 is not. We do ensure that the teams they identified
8 are, in fact, certified small businesses with the state,
9 in good standing with the state. As the project goes
10 forward, because this is task order based contract, if
11 some of those small businesses are there to perform a
12 very specific task and we modify that task, that could
13 affect the overall small business participation. That's
14 from our end. The obligation on the part of the
15 contractor is anything they have identified to be
16 performed by a small business, needs to be performed by
17 a small business. So if, for instance, a firm for some
18 reason were not able to perform it, they would have to
19 substitute another small business to perform that same
20 work.

21 CHAIRMAN RICHARD: Okay. Vice-Chair
22 Richards.

23 MR. RICHARDS: I thought that there was one
24 other question specifying by name, but can you tell us a
25 little bit about the -- who the evaluation panel or --

1 MS. GOMEZ: So we have our risk manager as
2 one member of our small business manager. We had two of
3 our contract managers, who are currently helping with
4 the AA contracts, and then myself, who was leading the
5 team.

6 MR. MORALES: All state employees.

7 MS. GOMEZ: All Authority employees. And in
8 terms of some of the -- you -- just a quick -- what some
9 of what the small business will be doing, some of them
10 will be doing document control; some of them will be
11 doing construction oversight; some of them will be doing
12 surveying; one of them will be doing some outreach; one
13 of them will be doing environmental testing; and one of
14 them will be helping with utility relocation, but I
15 don't know exactly which are the ones, but those are the
16 types of work that the small businesses will be doing.
17 And they were brought forward by the prime contractor,
18 which is the joint venture.

19 CHAIRMAN RICHARD: Okay. Vice -- I'm sorry.

20 Mr. Richards are you finished?

21 MR. RICHARDS: I just had one other
22 question. So with regards to the contract itself, I'm
23 sure it's form and content of the contract as is
24 required by the State of California. Do we prepare that
25 internally or is that -- the document itself.

1 MR. MORALES: All of our contracts are
2 developed consistent and based on a preparing manual
3 that's developed by the State by the Department of
4 General Services. Mr. Fellenz reviews the contacts to
5 ensure consistency and compliance with those standards
6 but this is -- it's -- I wouldn't say boilerplate, but
7 it is standard language developed and used by other
8 State agencies, all state agencies.

9 CHAIRMAN RICHARD: Thank you. Vice-Chair
10 Schenk.

11 MS. SCHENK: Yeah. Thank you. Boy, we all
12 want to think the best of everyone, but a project of
13 this size and projects much smaller, there is a lot of
14 opportunity for fraud, theft, et cetera. It is the role
15 of these PCMs to oversee and ensure that there is no
16 fraud, that the quality of material is as it should be
17 so that we don't run into the big, big kinds of problems
18 where there was quality control issues, there was a lot
19 of theft, and I harken back to President Reagan when he
20 said, "Trust but verify." So who's going to be doing
21 the verifying?

22 MS. GOMEZ: So they will be doing the
23 verifying. So they will be assisting and ensuring that
24 there is no fraud nor theft. And they will be doing,
25 you know, some of the checks and ensuring that the

1 contractor that is hired before the construction
2 oversight is doing what they need to be doing. They're
3 doing what they need to be doing. They'll be doing some
4 of their own inspection and some of their own tests to
5 ensure that what the contractor is doing is to
6 specification.

7 MS. SCHENK: I, for one, would like to have
8 a deeper dive on that and what are they -- how are they
9 going to do that. How -- what are their standards; what
10 are there -- is their processes for oversight in that
11 area.

12 MS. GOMEZ: Okay

13 MS. SCHENK: Okay. Thank you.

14 CHAIRMAN RICHARD: Oh, yeah, mister fraud
15 and abuse protection over here, Director Rossi, who
16 chairs our Finance and Audit Committee.

17 MR. ROSSI: Yes. Along the lines that Lynn
18 just brought up, very -- or more important to me,
19 however, is I want to know what the reporting mechanism
20 is back to the board that, in fact, these reviews are
21 being done, and if there are any exceptions or
22 violations, what the solutions and mitigations are to
23 those individuals and the timeframes in which those are
24 take effect.

25 MS. GOMEZ: One of the things that we are

1 doing is developing a manual that will contain what kind
2 of reports we will be developing, the Authority and the
3 contractor and the PCM and the PMT. So we are in the
4 process of developing that manual. So then there will
5 be standard reports as we move down to the south. I
6 don't have the details right now.

7 MR. ROSSI: That's fine. Absolutely fine.

8 MS. GOMEZ: We are in the process of getting
9 them.

10 MR. ROSSI: I would suggest that in the
11 process of creating those manuals, that you run them by
12 me and the Audit Committee before they become -- simply
13 because I want -- the audit committee is going to
14 understand the risk management and want to be able to
15 report to the board that we are, in fact, doing what
16 they said.

17 CHAIRMAN RICHARD: Yeah.

18 MR. ROSSI: Yeah.

19 CHAIRMAN RICHARD: You know, if there are no
20 other comments from members, I would just make two
21 observations and then ask a question.

22 First, I want to thank Bob, Director Hartnett,
23 for the way he articulated the issues there. I have to
24 say, I got home late last night from the east coast, and
25 thank you, United Airlines. I was four hours late, and

1 opened up the book and read through this item, and I
2 couldn't really express it, but I did feel as though I
3 just didn't have enough of a handle on things. There
4 was a lot of information about the process and that was
5 good, in terms of laying out what the various selection
6 criteria were, but then there was just the one line,
7 "and then we recommend this."

8 So to use our President's words, I think it's a
9 really good teachable moment that -- because of the
10 comments that Mr. Hartnett made, supplemented by those
11 of his colleagues, I think using this as a template for
12 going forward for presentations so that we take the
13 information that you did provide us but also something
14 about the evaluation, the evaluators, and making sure
15 that there's descriptive material about the company and
16 what their particular expertise is and how they'll do
17 it. So I think that was teachable moment number one.

18 The second thing comes from the comments of
19 Vice-Chair Schenk followed by Mr. Rossi, the head of the
20 Finance and Audit Committee, which is that as I was
21 listening to Mr. Rossi's comments, I thought, it really
22 boils down to one very, very simple thing, how do we
23 make sure if something does go wrong, that that
24 information comes to this board? I mean, obviously, Mr.
25 Morales and his staff have to deal with it, and that's

1 fine, but they should be bringing it to the board.
2 There's an exception, there's something outside of the
3 normative process, it needs to come in through the
4 Finance and Audit Committee. Certainly, I would except,
5 knowing Mr. Morales, and it will be, "and here's how
6 we're dealing with it." But we just need to make sure
7 that our protocols are in place so that those things do
8 trigger information flowing to the board, because we're
9 the representative of the public as appointed by the
10 Governor and the Speaker of the Assembly, and the
11 president of the Senate.

12 So if we can reflect on that a little bit, think
13 about how we drive that into the process, I think that
14 will be very good. And so this gives us an opportunity
15 to improve the process over, what I'm sure, was a very
16 diligent -- and you did give us in the package the
17 evidence that this team had met the DBE goals. I want
18 to commend you for that, because I also think it's
19 important for the public to know that we are keeping our
20 eye on that, and that we want to make sure that these
21 goals are adhered to, and then just supplementing that
22 in the future with sort of an annotation of the kinds of
23 works that each of these DBEs is doing. So I think
24 that's -- I think that's all very good, and I think it's
25 been a useful conversation.

1 I had one question, which I wanted to raise, and
2 that was, we are going to have five construction
3 packages. We have a construction manager, and, as has
4 been said, this is the owner's representative. When I
5 served on the BART Board for 12 years, on our major
6 construction projects, we always had a Construction
7 Management firm that reported, basically, to the
8 management. They oversaw the projects, and there, it
9 was relevant because we were using design build to build
10 BART to the San Francisco Airport. In my private sector
11 experience in the energy industry, for all the
12 independent power projects, there was always an owner's
13 rep, which is some type of engineering firm that
14 represents the owners. And Mr. Rossi will know, often,
15 it's something that the bankers are very concerned
16 about -- how that function is being performed.

17 So my only question was that this, this is for
18 Construction Package 1. Presumably, we could and would
19 have a separate determination as to whether there would
20 be a competition for the other construction packages,
21 which means that one of two things could happen; if I'm a
22 losing bidder of somebody else, I'm going to want to
23 know, does this person now have the inside track whether
24 they're doing this for the other contracts, or is that
25 going to be something that is going to be thrown to open

1 competition? On the other hand, if it is going to be
2 open competition, we could conceivably have five
3 different PCMs for the five different construction
4 packages. That strikes as something that is less than
5 efficient. So could you just enlighten us, Mr. Morales,
6 on the thinking on that.

7 Mr. Rossi, do you have a question first?

8 MR. ROSSI: I think it's an issue of the
9 efficiency, Mr. Chairman, and is less an issue of the
10 consistency and quality.

11 CHAIRMAN RICHARD: Thank you. What
12 Mr. Rossi just said was that the issue of efficiency is
13 less important than the issue of consistency and
14 quality, and I sort of used the term broadly, but that
15 was really where I was thinking.

16 So, Mr. Morales, if you have any thoughts on
17 that, that you can share at this time, that would be
18 useful.

19 MR. MORALES: Mr. Chairman, if I might
20 suggest that we come back, perhaps, at the next board
21 meeting, the presentations touch on a number of these
22 topics and kind of tie them all together on the
23 reporting, and I'll be presenting things like that, but
24 in general, the plan is, in fact, to have separate
25 construction managers for each of the contracts. In

1 part, as we go forward with the program, the different
2 contracts have different elements to them, which may
3 suggest different specialties being used to look at
4 them.

5 CHAIRMAN RICHARD: Okay.

6 MR. MORALES: So there is a need to tailor
7 somewhat the skills and the expertise that -- we expect
8 we'll have a different mix of firms for some of the
9 contracts going forward.

10 CHAIRMAN RICHARD: Great.

11 MR. MORALES: We're putting in place the
12 pieces, and as part of building the overall management
13 team, to ensure that we can oversee and have the
14 reporting relationships to be able to understand what's
15 coming in from our representatives as they go forward,
16 and that's part of what Frank Vodka's team, the
17 structure he's putting forth, will do, but it's
18 something he's done and Amtrak. It's something Diane
19 has done at Caltrans. Others of us, but it's -- again,
20 it's not an unusual process, but I would like to come
21 back and explain to you how we do it, so you and the
22 public will be comfortable.

23 CHAIRMAN RICHARD: Good.

24 MR. MORALES: That we can do it.

25 CHAIRMAN RICHARD: I think that's good, and

1 I think that's appropriate.

2 Mr. Rossi.

3 MR. ROSSI: One of the questions that was
4 raised here in public comment was the issue of the
5 potentially -- and I think on some sort of connection
6 between PB and --

7 CHAIRMAN RICHARD: Right. I was going to
8 cross that next, but go ahead.

9 MR. ROSSI: And I would like to get a
10 comment on that. Is there a membership? Is, is there
11 any kind of ownership? Do we --

12 CHAIRMAN RICHARD: Relationship.

13 MR. ROSSI: Do we know if management is run
14 by, you know, PB guys, who have expectation plans or any
15 of those kinds of things? I want to elaborate to that.

16 MR. MORALES: I guess it's always somewhat
17 hard to respond to a hypothetical or an unknown, but
18 what I can tell you is that these are entirely separate,
19 but we'll certainly look into it, but what I can say is
20 they are entirely separate companies. There's no
21 connection among them, and the reporting relationship of
22 this program, Construction Manager will be directly to
23 the Authority and to Diana and to Frank coming in. And
24 it was an objective review formed by the team as
25 indicated. But again, I'm certainly -- I'm not aware of

1 any connection among the companies as was suggested.

2 CHAIRMAN RICHARD: I think the more
3 important question was, just thirty seconds to one
4 minute to just clarify, because the issue was raised
5 about criticisms that this board has received, certainly
6 from the State Auditor's report and from others, that
7 the organization has been too contract driven. And let
8 me just offer my perspective on that, because it's very
9 important. As we're moving into the construction phase,
10 Mr. Morales has said, I think very appropriately, that
11 we are going to be a lean organization, which means that
12 the organization itself and its management is going to
13 be of limited size as we move forward.

14 My perception and perspective, not having been
15 here through all of this, is that in the early years,
16 the Project Management Team, Program Management Team,
17 which is technical assistance to the Authority, was
18 viewed by some as making too many decisions that, to use
19 Mr. Hartnett's words, should have been made by the
20 public sector, and I have heard Mr. Morales say, too,
21 "public sector employees should be making public sector
22 decisions, and private sector employees should be making
23 private sector decisions." I think part and parcel of
24 that is simply about how thin the organization was, and
25 that is not the case now.

1 We have much different management structure. We
2 have much different governance structure. We have,
3 starting at the board level, I think a very active
4 board. We have a Finance and Audit Committee that's
5 specifically charged with overseeing the -- certainly,
6 the fiscal aspects of this and the risk management
7 aspects of this. And we now have, thanks to
8 Mr. Morales, not only an effective CEO but somebody who
9 has populated the ranks that have been unfilled for
10 years. We have a chief engineer. We have a chief risk
11 management officer. We have people like Ms. Gomez and
12 her colleagues in each of the regions representing the
13 organization, where, in the past, sometimes, that has
14 been done primarily through contractors. And so what we
15 now have is an organization that, I think, is what would
16 have been nice to have had in place in years past with a
17 CEO who is accountable to the board and a board that
18 pays attention.

19 And so a lot of those decisions that people feel
20 might have needed to come to this board, I think now are
21 coming to this board. As we move into the construction
22 process, it strikes me that, at least my experience in
23 the public sector, Mr. Hartnett alluded to this and
24 others, that we don't want to have -- I worked for many
25 years at PG&E. They had their own construction

1 department of three thousand people in the construction
2 department. I think the evidence has shown that that
3 doesn't always, necessarily, lead to the best results.
4 And so what is better is to have a lean organization
5 with strong governance at the top. In this case, a
6 Project Construction Manager who is accountable to the
7 management of the organization. They are accountable to
8 the board. The board is accountable to the public, and
9 then that organization will oversee the prime
10 contractors.

11 So I hope that was useful, but I wanted to try to
12 draw a distinction between some of the concerns in the
13 past how do they relate to how we're moving forward in
14 the future not only with decisions on design but also
15 with the oversight of construction.

16 So with that, we have an action item in front of
17 us to select this team that has been recommended to us
18 by Ms. Gomez and her colleagues.

19 MR. HARTNETT: Move approval of the award as
20 recommended.

21 MR. RICHARDS: Second that.

22 CHAIRMAN RICHARD: Okay. It was moved by
23 Mr. Hartnett, seconded by Director Rossi and Vice-Chair
24 Schenk.

25 Will the secretary please call the roll.

1 MS. REED: Vice-Chair Schenk.

2 MS. SCHENK: Yes.

3 MS. REED: Vice-Chair Richards.

4 MR. RICHARDS: Yes.

5 MS. REED: Mr. Umberg.

6 MR. UMBERG: Yes.

7 MS. REED: Mr. Hartnett

8 MR. HARTNETT: Yes.

9 MS. REED: Mr. Rossi.

10 MR. ROSSI: Yes.

11 MS. REED: Chairman Richard.

12 CHAIRMAN RICHARD: Yes.

13 Okay. Thank you, Ms. Gomez, and we'll look
14 forward to the follow-up discussion at the next meeting.

15 Thank you very much, Mr. Morales.

16 Okay. Our last item on the public agenda does
17 relate to what comes next, and that is the informational
18 update on the RFQ for Construction Packages 2, 3, and 4.

19 Mr. Vodka, you have changed your appearance since
20 the last time you appeared before the board.

21 MR. FELLENZ: Mr. Chairman, board members,
22 thank you for giving me the opportunity to present to
23 you the Request For Qualifications for the next
24 Construction Packages 2, 3, and 4. I just wanted to
25 take a moment just to remind the board and maybe for the

1 public's benefit some of the differences between the
2 contract processes that we're going through that we just
3 approved what is technically called an Engineering and
4 Architectural contract, because that's what the PCM is,
5 and in that process, the board has a policy that
6 requires the staff to come and seek approval for the
7 RFQ, Request For Qualification in the A and E contract,
8 and the reason for that is because the RFQ is the step
9 that we use to evaluate, because the proposers come in,
10 the teams come in, and we evaluate them, as you have
11 seen in the presentation of the last item.

12 Following the RFQ process, in A and E,
13 Architectural and Engineering, contract there's a
14 recommendation to the board, like you just said in the
15 last item, when we move to a different type of a
16 contract, which is a design build contract, which is now
17 before you as Item Number 4. There's an RFQ process,
18 but there's also an RFP process. There is no RFP
19 process for an A and E contract. I just wanted to make
20 that extension. I know you're familiar with that, but I
21 think sometimes, it's good to go over that.

22 So what we have here in Item Number 4 is an
23 informational item to show you that we're going to go
24 through an RFQ process for Construction Packages 2, 3,
25 and 4. This does not require board approval. The

1 policy of the board doesn't state that this requires
2 approval, but we want to be open and transparent to tell
3 you some of the next steps in the RFQ process. For the
4 design build contract, it's a two-step process. The RFQ
5 is really a screening of those teams that have responded
6 to the RFQ and want to participate, want to receive the
7 Request For Proposal, followed by, then, a proposal
8 submitted by that, and so what we have is the RFQ will
9 be sent out by staff, and we're just trying to highlight
10 for you what this whole process is for Construction
11 Packages 2 through 4.

12 We would expect that the Construction Packages 2
13 through 4 would be awarded and notice to proceed would
14 occur no sooner than April of 2014 for your information,
15 and if the board has any particular questions, what I've
16 done is, I've highlighted the different sections that
17 Construction Packages 2, 3, and 4 on the second page of
18 your memo, where, in the vicinity of these construction
19 activities, will take place, that is design
20 construction, taking up either thirty -- fifteen to
21 thirty to one hundred percent and then constructing the
22 civil infrastructures up to tracks. We do have a fifth
23 construction package that is only for the track work
24 that is for the whole length of the Central Valley
25 through Construction Packages 1 through 4.

1 I tried to include here, too, a scope of work and
2 description of the scope of work that Construction
3 Packages 2 through 4 will have. It's quite a long list
4 of items, and I just want to remind the board that this
5 really is very similar, in many ways exactly like, the
6 process that we went through for Construction Package 1.
7 That is, we went with the RFQ; we have some qualified
8 teams; we do a real screening to make sure they are
9 financially qualified, experienced qualified; and then
10 they're shortlisted. The last RFQ that you went through
11 for design build, we shortlisted all five because they
12 were all qualified. We would expect for Construction
13 Package 2 through 4 that we would qualify at least three
14 in a circumstances.

15 We will be coming back to you at a later time, as
16 we did with Construction Package 1, to seek your
17 approval to release the RFP that is required of staff.
18 We have to go to the board to ask your permission and
19 approval for releasing the RFP for all of these
20 construction packages, and we will be doing so. And
21 following, following the evaluation process and the RFP
22 for these design build contracts, there will be an award
23 process. That, again, comes back to the board for your
24 consideration and approval, and I'm happy to answer any
25 questions. I think I have kind of laid out the process

1 here. I'm happy to entertain any questions you might
2 have

3 CHAIRMAN RICHARD: I will have a question,
4 but I'll turn to my colleagues first if anyone else has
5 any questions.

6 I think when you come back to us, the one thing I
7 would be interested in is to make sure that, as we look
8 at the qualification criteria, that we're learning from
9 whatever we need to learn from Construction Package 1.
10 For example, and, again, I don't necessarily need this
11 to be commentary right now, because I want people to
12 think about it and not say things that can be
13 misinterpreted, but, you know, are we happy with the
14 competitive environment? Do we feel that we need to
15 make changes to relative rankings of technical versus
16 cost or things like that? I would call for some
17 considerable discussion around those issues prior to
18 issuing the first RFP.

19 So I guess what I'm saying is rather than just
20 blindly, cookie cutter replicate what we did before, I'd
21 like to make sure that there's a feedback process where
22 we're thinking about how satisfied we are with the
23 process and what changes we need to make in terms of
24 trying to get to the desired result. So I'm not even
25 sure how that effectuates itself but I'd like to have

1 that conversation when this comes -- this comes back.

2 So that was my only thought on this.

3 MR. FELLENZ: We have had some of those
4 discussions internally, and if you recall, in
5 Construction Package 1, what we came to, as staff, was a
6 term sheet that showed the various highlights of the
7 Request For Proposals. The board had access to the
8 entire Request For Proposal and we plan to issue -- it's
9 very voluminous. It seemed appropriate for us to
10 summarize it in a term-sheet form.

11 CHAIRMAN RICHARD: Right.

12 MR. FELLENZ: What we plan to do, and we had
13 some discussions, is to take the term sheet that we had
14 for Construction Package 1 and improve on that.

15 CHAIRMAN RICHARD: Right.

16 MR. FELLENZ: From the lessons learned.

17 CHAIRMAN RICHARD: Excellent and I think all
18 I'm asking is rather than having to find the other one
19 and do a document compare --

20 MR. FELLENZ: Yes.

21 CHAIRMAN RICHARD: -- you know, to walk us
22 through where you have made those recommendations for
23 changes.

24 MR. FELLENZ: Sure

25 CHAIRMAN RICHARD: That's great.

1 All right. No action taken on this item.

2 Anything for the good of the board before we
3 proceed to the closed session items?

4 All right. Well, I want to thank all of you for
5 coming today. I want to thank staff for its work, and
6 the board will now enter into a closed session to
7 discuss items pertaining to litigation pursuant to the
8 agenda, and we will return after that with any report.

9

10 (Closed session.)

11

12 CHAIRMAN RICHARD: Okay. We'll be back in
13 order.

14 At the completion of the closed session, we have
15 no information to report.

16 The meeting of the High-Speed Rail Authority
17 Board is now concluded. Thank you.

18

19 (Whereupon the proceeding concluded at 2:00 p.m.)

20

21 --oo--

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24

25

1 I, Brittany Flores, a Certified Shorthand Reporter of
2 the State of California, duly authorized to administer
3 oaths, do hereby certify:

4 That the foregoing proceedings were
5 taken before me at the time and place herein set forth;
6 that any witnesses in the foregoing proceedings, prior
7 to testifying, were duly sworn; that a record of the
8 proceedings was made by me using machine shorthand which
9 was thereafter transcribed under my direction; that the
10 foregoing transcript is a true record of the testimony
11 given.

12 Further, that if the foregoing pertains
13 to the original transcript of a deposition in a Federal
14 Case, before completion of the proceedings, review of
15 the transcript () was () was not requested.

16 I further certify I am neither
17 financially interested in the action nor a relative or
18 employee of any attorney of party to this action.

19 IN WITNESS WHEREOF, I have this date
20 subscribed my name.

21

22 Dated:

23

24

25

Brittany Flores CSR 13460